Governance Structures

PRELIMINARY DRAFT FOR DISCUSSION ONLY

This preliminary draft discussion paper is a work product developed by the consulting team for review and discussion by the Blue Ribbon Commission on Transportation. The contents are intended to provide the Commission members with factual background information and a balanced set of policy alternatives, including the pros and cons of these alternatives. This paper is one of a series and should be reviewed in the context of the entire series that, when taken together, present a comprehensive overview of the state's transportation system.

This discussion paper has been prepared primarily for Blue Ribbon Commission members new to these issues who wish to engage in a fundamental debate and for a more general audience of interested citizens who may wish to comment on the Commission's deliberations. This paper is intended to be provocative and to stimulate discussion of issues and options in this state. It questions the current ways of doing business, not for the sake of finding fault, but to allow consideration of other potential ways of thinking about transportation issues that might be appropriate in the future.

PROBLEM STATEMENT AND PAPER OVERVIEW

More than 468 governmental entities have authority for transportation planning, funding, management, and construction in Washington State.[1] These entities have evolved in response to federal, state, and local mandates, following decisions made by popularly elected officials. The division of authority can make it to difficult to select, fund, and implement transportation services on existing facilities and to construct new facilities. Understanding Washington's transportation structure and who is accountable can be daunting for those not actively involved in transportation.

This discussion paper begins by describing the governmental entities with responsibilities related to transportation. An assessment of the current structure follows, along with case studies of other jurisdictions that have sought a variety of governance structures as they struggle to address concerns about growth, project implementation, and coordination among governments.

[1] This total includes the following: Washington State Legislature (1), Governor's Office (1), Washington State Transportation Commission (1), federal U.S. Department of Transportation (1), Washington State Department of Transportation (1), Metropolitan Planning Organizations and Regional Transportation Planning Organizations (14), Counties (39), Cities and Towns (279), Port Districts (76), Native American tribes (27), transit authorities (26), County Road Administration Board (1), and Transportation Improvement Board (1).

ENTITIES WITH TRANSPORTATION RESPONSIBILITY

A. FEDERAL GOVERNMENT

Federal funding for surface transportation in Washington State has been based on the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and since 1998 on the Transportation Equity Act for the 21st Century (TEA-21). The Washington State Department of Transportation and cities and counties receive apportionments from the Federal Highway Administration for highway-related projects, and from the Federal Transit Administration for public transit projects. Under ISTEA and continuing under TEA-21, projects eligible for federal funds must be part of the three-year Regional Transportation Improvement Programs that Metropolitan Planning Organizations prepare (see below).

B. STATE GOVERNMENT

The Governor submits to the Legislature a biennial transportation budget, which is separate from the state's operating and capital budgets for all other state agencies and programs. The Governor's budget is introduced alternately every other year to the House and the Senate and works its way through the House and the Senate Committees on Transportation and both legislative bodies before being sent to the Governor, who may veto portions of it. The Legislative Transportation Committee (LTC), is a permanent, nonpartisan body that provides fiscal and policy expertise to the Transportation Committees of the Legislature.

Unlike the capital budget for other state programs, the transportation budget bill typically does not itemize construction projects. The transportation budget bill makes appropriations to the Washington State Department of Transportation, the Washington State Transportation Commission, the LTC, the Transportation Improvement Board, the County Road Administration Board (all of which this paper describes), and other state transportation agencies. Revenues from TEA-21, the motor vehicle fuel tax (gas tax), the motor vehicle excise tax (MVET), and vehicle licenses, permits, and fees fund the majority of the transportation budget.

The Legislature does not appropriate all transportation revenues. One-third of the gas tax revenue goes directly to cities and counties through statutory formulas. Additionally, the state grants cities, counties, and transit districts taxing power to pay for city streets, county roads, and mass transit.

1. WSDOT AND THE WASHINGTON STATE TRANSPORTATION COMMISSION

Prior to 1977, Washington had a Department of Highways, whose sole function was to build and operate the state highway system and ferry system. The Aeronautics Commission, the Toll Bridge Authority, the Canal Commission, and the Department of Planning and Community Affairs handled other transportation functions at the state level. Under Governor Dan Evans, a project called Washington Futures examined state governance issues and recommended consolidation of the transportation functions under a new Washington State Department of Transportation (WSDOT), governed by the Transportation Commission. The Legislature enacted this consolidation in 1977, contained in RCW 47.01.

The role of the seven-member Washington State Transportation Commission, appointed by the Governor, is to appoint the Secretary of Transportation; propose transportation legislation and budgets; approve issuance of bonds for highways; and establish policies of WSDOT in coordinating transportation planning and administering grants to cities and counties.

WSDOT owns and operates 7,037 miles of state highways in Washington. Funding for state highways comes from the motor vehicle fuel tax (gas tax); the motor vehicle excise tax (MVET); motor vehicle licenses, permits and fees; federal highway grants; and bond proceeds.

The Aviation Division of WSDOT is responsible for construction and maintenance of 17 state-operated airports and is funded primarily by the state aviation fuel tax. WSDOT is also responsible for developing and implementing Washington State's rail plans and programs.

WSDOT operates Washington State Ferries, with 27 ferries serving 20 terminals in eight counties and British Columbia. The state ferry system is funded through the gas tax, MVET, motor vehicle registration and licensing fees, fares and concessions, rent, federal and state transit grant programs, and bond proceeds.

WSDOT's statewide transportation plan sets desirable service objectives for state-owned modes of transportation – state highways, state ferries, and state airports – and for other transportation modes the state has an interest in, including public transportation, intercity passenger rail, freight rail, aviation, marine ports, and nonmotorized transportation. Legislation enacted in 1998, House Bill 1487, declares that certain transportation facilities and services are "highways of statewide significance," and WSDOT has the authority to set level-of-service standards for these facilities.

Local city streets and county roads are not included in the state transportation plan.

2. COUNTY ROAD ADMINISTRATION BOARD

The County Road Administration Board (CRAB) regulates and oversees the 39 county road departments in Washington State, by establishing and administering standards of good practice. CRAB distributes funds by formula for the two county roads programs it administers: the Rural Arterial Program and the County Arterial Preservation Program. CRAB receives gas tax revenues to fund its programs.

3. TRANSPORTATION IMPROVEMENT BOARD

The Transportation Improvement Board (TIB) provides local grants to cities and counties for construction and improvement of urban and rural arterials as well as for projects needed to address congestion resulting from economic development or growth. Counties and cities compete for TIB funds. TIB receives gas tax revenues to fund its programs.

4. ADDITIONAL STATE AGENCIES

Additional state agencies with missions relating to Washington's transportation system include the Department of Licensing, the State Patrol, the Utilities and Transportation Commission, the Board of Pilotage Commissioners, the Marine Employees Commission, the Office of Marine

Safety, and the Traffic Safety Commission. These agencies receive appropriations in the transportation budget.

C. PORTS

Ports are municipal corporations of the state. Their transportation responsibilities include marine shipping, fishing terminal development, commercial and recreational marinas, and air transport. Washington State has 76 ports, which derive funds from user fees, property lease and rental fees, property taxes, and federal grants and bonds.

D. TRIBES

Washington State contains 27 federally recognized Indian tribes eligible for project funding as part of the three-year Regional Transportation Improvement Program that Metropolitan Planning Organizations prepare. Under TEA-21, the state must consult with tribes in transportation planning. In addition, if a state highway travels through a tribal reservation and the tribe participates in a Regional Transportation Planning Organization, the tribe has input on the funding priorities for that highway.

E. PUBLIC TRANSIT AGENCIES

The state contains 26 public transit agencies providing fixed-route services in particular geographic areas. These agencies are organized as locally controlled special-purpose governments. Examples include C-TRAN in Clark County; Spokane Transit Authority; King County Metro; the Whatcom Transportation Authority; the Regional Transit Authority in King, Pierce, and Snohomish Counties; and the bus systems of Yakima, Everett, Pullman, and Prosser. Various combinations of the motor vehicle excise tax, local sales taxes, fares, federal funds, and voter-approved transit taxes support Washington's public transit agencies.

F. LOCAL JURISDICTIONS: CITIES AND COUNTIES

Local jurisdictions are responsible for maintaining, constructing, and managing the streets, bridges, bicycle lanes, and pedestrian paths within their jurisdictions. Cities and towns are responsible for 13,130 miles of streets and 657 bridges in the 279 incorporated municipalities of Washington State. Cities receive revenues primarily from the gas tax (distributed to cities on a per capita basis); local revenue sources, including property taxes; and federal funds. Cities also compete for grants from the Transportation Improvement Board for the urban arterial and transportation improvement programs.

All of Washington's 39 counties are responsible for 41,352 miles of county roads and 3,570 county bridges in the unincorporated areas of the state. Four counties also operate county ferries. Counties receive revenue primarily from the state gas tax (distributed by formula based on mileage, needs, and resources); local revenue sources, including property taxes; and federal funds. Counties also receive distributions from the County Road Administration Board for the arterial preservation program, distributed according to percentage of arterial lane miles, and can compete for grants from CRAB's rural arterial program and from the Transportation Improvement Board.

The Growth Management Act (GMA) of 1990 put additional responsibilities on local jurisdictions, requiring them to adopt a local comprehensive plan for long-term development. The plan must contain a transportation element identifying system needs to meet current and future demands, consistent with the land use elements of the plan (see RCW 36.70A). Legislation enacted in 1998, House Bill 1487, requires that the local plan include state-owned transportation facilities and estimates of traffic impacts to those facilities and that the plan reflect the state's level-of-service standards for state-owned highways and ferry routes of statewide significance.

Concurrent with the passage of the GMA, the regional transportation planning program created a formal mechanism for cities, counties, and the state to coordinate transportation planning at the regional level. All counties except for San Juan County are part of a Regional Transportation Planning Organization (see the discussion of RTPOs below).

G. REGIONAL PLANNING ORGANIZATIONS

Metropolitan Planning Organizations (MPOs), required by federal law for urbanized areas with more than 50,000 people, are governed by local elected officials. The purpose of an MPO is to develop a regional transportation plan, a three-year Transportation Improvement Program (TIP), and a long-range Metropolitan Transportation Plan (MTP) covering a 20-year period. All federally funded transportation projects within the region must be consistent with the MTP and included in the TIP.

The eight MPOs in Washington State are Benton-Franklin Regional Council, Cowlitz/Wahkiakum Council of Governments, Puget Sound Regional Council, Southwest Washington Regional Transportation Council, Spokane Regional Transportation Council, Thurston Regional Planning Council, Whatcom County Council of Governments, and Yakima Valley Council of Governments. In addition, MPOs with urban populations of more than 200,000 must develop congestion management systems; three MPOs in Washington fit this description: Puget Sound, Southwest Washington, and Spokane.

Authorized by the State Legislature with the adoption of the Growth Management Act in 1990, regional transportation planning organizations (RTPOs) are required to develop a regional transportation plan and a six-year regional Transportation Improvement Program (TIP). RTPOs also certify that local jurisdictions are meeting the transportation requirements of the GMA. Washington has 14 RTPOs, covering 38 of 39 counties (San Juan County is not included). In urban areas, the MPOs also serve as RTPOs. (For example, the Puget Sound Regional Council is an MPO and an RTPO for King, Pierce, Snohomish, and Kitsap Counties.) The remaining RTPOs are Skagit/Island, Peninsula, North Central, Palouse, Quad-County, and N.E.W. RTPO (Stevens County). RTPO members come from all the jurisdictions within the region.

The RTPO process is designed to foster ongoing, coordinated transportation planning among jurisdictions to ensure that state, regional, and local transportation plans are consistent. The regional transportation plan is intended to establish a regional approach, including capital investments, service improvements, and transportation demand management measures and to develop a list of priority projects for the region.

ASSESSMENT OF THE CURRENT STRUCTURE

The current transportation structure has evolved over decades in response to federal and state mandates. Washington State has a long populist tradition, with power being spread out among different entities, not unique to transportation. With the multitude of governments responsible for transportation, it is difficult for Washington citizens to know who is responsible and accountable, beyond the basic understanding of city responsibility for city streets, county responsibility for county roads, and state responsibility for state highways.

The last major examination of the state's transportation system, which resulted in the 1977 legislation consolidating transportation functions into WSDOT and the Transportation Commission, identified nine "imperative needs": (1) to create a statewide transportation plan, which identifies present status and sets goals for the future; (2) to coordinate transportation modes; (3) to promote and protect land use programs required in local, state, and federal law; (4) to coordinate transportation with the economic development of the state; (5) to supply a broad framework in which regional, metropolitan, and local transportation needs can be related; (6) to facilitate the supply of federal and state aid to those areas that will most benefit the state as a whole; (7) to provide for public involvement in the transportation planning and development process; (8) to administer programs related to transportation safety; and (9) to coordinate and implement national transportation policy with the state transportation planning program.

After two decades of experience, how well have these needs been met? The Washington Transportation Plan, which WSDOT prepared and the Transportation Commission adopted, identifies the current status and sets 20-year service objectives for state-owned transportation facilities (highways, ferries, and airports) and state-interest transportation modes (public transportation, freight rail, intercity passenger rail, marine ports, and nonmotorized transportation).[2] The state has no direct authority, however, over transportation modes and facilities not owned by the state; accordingly, local city streets and county roads are not included in the state transportation plan. At the time of the 1977 legislation, this option was considered and rejected, as city and county associations did not want the state planning for their facilities.

The same lack of authority limits the state's ability to coordinate investments or operations across transportation modes. The Transportation Commission's state transportation policy calls for the development of seamless connections among transportation modes, and the statewide transportation plan identifies several intermodal connection needs. Although the Transportation Commission has a strong role in planning and implementing state-owned transportation modes, it

[2] The first statewide transportation plan was adopted in 1980 and updated in 1982 and 1984. In 1987, the WSDOT and the Transportation Commission began a new statewide transportation planning process which began with the development of a State Transportation Policy, and was followed with the development of a detailed Highway Systems Plan and a statewide multimodal transportation plan known as Washington's Transportation Plan. Right now the Transportation Commission and WSDOT are undertaking a three-phase plan update process. Phase I involves collaboration with transportation agencies and organizations, the business community, and the public to develop a common vision for transportation in Washington State and to jointly set priorities to improve the ability to make strategic investment decisions. Phase II involves integration of the planning at the statewide and regional levels to produce a statewide, multimodal investment strategy, and Phase III covers implementation, resulting in the draft plan, public review, and adoption.

has a relatively weak role in the state-interest modes owned and operated by other governments or private firms over which the Commission has no authority.[3]

In addition, state transportation funding remains dominated by the gas tax, which is constitutionally limited to highway purposes. State funding for city streets, county roads, and public transportation mainly occurs through direct allocation, without any authority or decision points by the Transportation Commission. The Transportation Improvement Board, the County Road Administration Board, and the Freight Mobility Strategic Investment Board are separate state agencies created to administer transportation programs, further diffusing authority.

By and large, the multiple governments have succeeded in creating a remarkable transportation system for the state. Their efforts seem to work best when authority for planning, deciding, funding, and implementing projects rests within a given body, such as WSDOT's responsibility for state roads, and the various transit agencies' responsibility for their transit systems. When responsibility is more diffuse, and planning requires coordination with a number of jurisdictions, the results are more mixed.

In every region, the regional transportation planning organizations (RTPOs) have improved planning and coordination among jurisdictions. In many counties across the state, the present delineation of responsibility for managing, operating, and deciding on projects seems to be appropriate and work well, although the ability to fund the desired projects is often missing.

In areas that have grown more complex in the number of jurisdictions involved and modes needed for transportation, and where corridors pass through many jurisdictions that might have inconsistent investment priorities, the requirements for coordination go up geometrically. In these areas, the difficulties with the current structure of government are more pronounced. Consider the example of the Trans-Valley Corridor in South King County. The Trans-Valley Corridor is a 10-mile long east-west arterial, extending from SeaTac International Airport through the urban centers of SeaTac, Tukwila, and Renton into unincorporated King County. It is a heavily traveled corridor that cuts through a wide range of land uses, from the airport, through Southcenter Mall (retail), major manufacturing and warehousing (including Boeing), and connecting with the warehousing areas of Kent, Valley Medical Center, and the residential areas

[3] The 1996 Washington's Transportation Plan calls for increased "advocacy" functions within the WSDOT, with one purpose being to foster more coordination. Looking briefly at the other identified "imperative needs" from the 1977 legislation, the Transportation Commission and WSDOT were supportive of the Growth Management Act. The Transportation Commission has included policies on land use/transportation linkage in their state transportation policy, and Department programs are carried out in conformance with the GMA. On the economic development side, the state transportation plan makes a vital economy a cornerstone and encourages transportation investments for economic development and in support of industrial facilities of statewide significance. But the shifting state emphases, and the unresolved role of economic development in project selection, mean economic development plays a more informal role.

The state highway priority programming is based on maximizing net benefit to the state as a whole, with investments going toward areas of the most congestion. In practical terms, however, the dollars are often spread thin across the state, in what is referred to as the "peanut butter" approach. Public involvement has steadily increased, and public involvement techniques are continually evolving. Highway safety is a major component of the transportation plan, and has a high priority for funding. Finally, the WSDOT and the Transportation Commission ensure the implementation of national transportation policy, as reflected in TEA-21, federal regulations, and cross-state agreements.

of the Soos Creek Plateau and Fairwood. It will contain transit service connections to Sound Transit Commuter Rail in Renton and Light Rail at SeaTac. State highways (SR 181, SR 167, and SR 515) bisect the road. The corridor has seven street names as it wends its way through the different jurisdictions, but drivers traveling its length experience it as a single roadway.

A significant route for freight, both rail and trucks, the Trans-Valley corridor experiences growing traffic congestion and delays. A wide range of improvements are needed, including grade separation, lane widening, coordination of traffic signals, turning lanes, bicycle lanes, curbs, gutters, and other intersection and operation enhancements. As is the case with other arterials, or corridors, that supplement the highway system, no one entity is responsible for the financing, construction, or maintenance of the Trans-Valley Corridor. King County and each city is responsible only for that portion of the road that runs through its jurisdiction, and WSDOT is responsible for the state highways. This makes coordinated planning and funding for corridor-wide improvements difficult and time-consuming. If any one jurisdiction wants to give other transportation projects higher priority for its limited revenues, the prospect for seamless connections diminishes greatly.

This example suggests that in certain areas of the state, the complexity of the system and the number of players warrant examining structures that might improve and simplify the process. In considering any adjustments, it is worthwhile to examine models from elsewhere.

CASE STUDIES FROM OTHER JURISDICTIONS

Over the past decade, legislatures in other states and regions have struggled over problems with traffic congestion, pollution, sprawl, and lack of coordination among governments. Described below are five jurisdictions in which changes to transportation governance have been proposed or implemented. The matrix on page 15 summarizes these examples and how they would work if applied in Washington State.

A. MICHIGAN

The “Build Michigan II” plan, introduced by Governor John Engler in May 1997, proposed additional funding for road projects, efficiency reforms designed to save money, and state assumption of responsibility for key roadways. Although only parts of the plan have been implemented to date, the program illustrates one state’s effort to improve governance and increase accountability within its transportation system.

The Governor’s plan called for adding $570 million to supplement current spending on road repair, repaving, and new construction, increasing the miles of roadway repaired each year by more than 50 percent. The Governor sought to raise the state gas tax, obtain increased federal funds, and adopt a range of institutional and legal reforms. The Legislature approved the four-cent increase in the state gas tax, and Michigan received a $200 million increase in annual federal road funds over a six-year period.

Governor Engler intended to improve the efficiency and accountability of Michigan’s transportation system and invest the savings in the state’s roads. The Legislature adopted the

Governor's proposal for a 10 percent cap on administrative expenses for all road agencies in the state. Proposed reforms not yet enacted include ending fuel discounts and increasing fees. Together with other funding, including transfers from savings elsewhere in state agencies, reform efforts were expected to save $170 million annually to invest in the state's road system. The Governor's plan also proposed to reorganize MDOT and reduce its staff through attrition and early retirements. Efficiencies are also sought through contracting and workplace reforms, including managed competition, work during off-peak hours, and incentives.

The state's existing transportation system contains a complex mix of jurisdictions, in which cities, counties, and the state are responsible for a range of different road types. Seeking more efficient decisions about road investments and maintenance, the Governor proposed that MDOT assume responsibility for over 23,000 miles of roads under city and county control—the main roads on which people travel to work and freight is shipped and which handle 90 percent of the state's traffic. When the Legislature did not approve this transfer of jurisdiction, a downscaled version was proposed, transferring 9,000 miles to the state road system. Even this was controversial with the Legislature and with cities and counties, demonstrating the political unpopularity of increasing state control over decisions traditionally made by local governments.

Were a similar proposal to be implemented here, arterials of regional significance would transfer to WSDOT. Local governments would retain their existing funds; the state would get new funds from an increase in the gas tax and other sources.

B. SAN DIEGO, CALIFORNIA

The San Diego Association of Governments (SANDAG) is the association of 18 cities and the county government in San Diego County. SANDAG serves as the transportation planning agency and makes most of the major transportation funding decisions for the region. There are 2.8 million people in the County, expected to grow to 3.8 million by 2020.

SANDAG, a single-county region, is the MPO for federal purposes and the regional transportation planning agency under state law. SANDAG develops the 20-year regional transportation plan and the six-year regional transportation improvement program, coordinating with the California Department of Transportation (CalTrans), public transit agencies, and local jurisdictions. SANDAG selects projects and allocates funding for projects within the plan. In its role as MPO, SANDAG receives and allocates federal funding under the Transportation Equity Act for the 21st Century (TEA-21), just as the MPOs do in Washington State. TEA-21 funding averages $120 million a year.

State funding comes from two sources. One is California's Transportation Development Act (TDA), which since 1973 has imposed a one-quarter cent statewide sales tax dedicated for transit uses (also for nonmotorized transportation including sidewalks and bicycles). Allocated to counties based on population, TDA funds provide SANDAG about $75 million a year. The gas tax provides the other state funding source. SANDAG's authority has been enhanced since 1998 by California Senate Bill 45, which changed the fund allocation of the federal and state gas tax that goes toward the State Transportation Improvement Program. Before, the California Transportation Commission selected projects for the State Transportation Improvement Program, within certain categories. Senate Bill 45 eliminated most categories and limited the Commission's authority, dividing funding into two components: 75 percent allocated to regional agencies, such as SANDAG, for regional improvements to be selected by the region itself; and 25 percent for interregional improvements, selected from projects nominated by Caltrans and the regions. SANDAG's regional share of this gas tax funding amounts to about $300 million over six years, or $50 million a year.

Local funding comes to SANDAG from Proposition A, a voter-approved half percent sales taxes dedicated to transportation improvement in San Diego County. The Proposition A funds amount to $150 million a year, or $3 billion over the 20-year period. These revenues are divided equally among highways, public transit, and local streets, allowing for roughly one billion dollars in each category over the 20 years. (One million dollars a year is also allocated for bicycle improvements.) SANDAG annually approves the program of projects to be funded by Proposition A, but local city councils develop and approve the local street projects. These funds have helped reduce the backlog of repair, maintenance, and construction on local streets, including paving, widening, and traffic signal and safety improvements. Proposition A also allows SANDAG to sell revenue bonds. So far, SANDAG has issued $900 million for highway improvements, trolley car purchases and line extensions, commuter rail services, right of way acquisitions, and local road projects. SANDAG credits the predictable, regional funding source provided by the Proposition A funds for greater implementation of projects within its plan.

Were such a structure to be implemented here, more of the state gas tax and federal funds would be allocated through MPOs, as would any new local option tax.

C. GEORGIA REGIONAL TRANSPORTATION AUTHORITY

On April 6, 1999, Governor Roy Barnes signed legislation creating the Georgia Regional Transportation Authority (GRTA), with broad powers over all transportation and development projects in the 13-county metropolitan area of Atlanta. Prompted by the loss of federal highway funds due to high air pollution levels and to address Atlanta's growing traffic congestion and sprawl, the newly elected Governor proposed to create GRTA to overcome a lack of agreement among local governments on a regional plan for growth and mass transit. The region has doubled its population in the last 30 years, to 3.1 million people.

Transportation funding and planning has been hindered by constitutional constraints. Similar to Washington, the state gas tax is constitutionally required to be spent on roads and bridges only. Second, local governments have absolute authority under the state constitution to make land use decisions without state oversight. Third, any expansion of mass transit to other counties requires a county vote both to accept the transit and to tax itself. Right now, only two counties have transit (heavy rail). All attempts to expand transit to other counties have been voted down, either because residents did not want the added tax burden or because they did not want the disruption to their communities. GRTA is seen as an attempt for the state to develop other forms of transportation besides roads.

GRTA uses the stick of withholding funding, on the grounds that local governments do not have a constitutional right to state grants or state funds. In essence, under GRTA, if the local governments do not make the right land use decisions, including assessing taxes and fees to pay for transportation facilities and air quality controls, they will not get state funds.

GRTA has immediate jurisdiction over the 13 metropolitan Atlanta counties that have been designated a nonattainment area by the U.S. Environmental Protection Agency under the Clean Air Act. GRTA will automatically acquire jurisdiction over any other county designated a nonattainment area. All major developments within the metropolitan area are subject to GRTA approval. The Governor appoints the 15 GRTA board members. GRTA is authorized (1) to plan, design, construct, operate, maintain, and contract for public transportation projects and services; (2) to adopt a regional plan for transportation and air quality; (3) to review all regional plans and transportation improvement programs prepared by the Atlanta Regional Commission (the metropolitan planning organization) and by the state Department of Transportation; and (4) to set targets for air quality improvements and measure progress annually.

Of greatest immediate significance is GRTA's approval power over all development of regional impact planned within its jurisdiction that requires state or federal funds. GRTA's decision can be reversed only by vote of three-fourths of the county or city in which the development is planned. The state DOT cannot spend money on any highway system or public transportation without GRTA approval, unless safety-related. If a local government fails to cooperate with GRTA, it becomes ineligible for any state grant (other than for public safety or health) and cannot receive federal or state transportation funds. Local governments must raise revenues to provide transportation services approved by the GRTA.

GRTA's powers are yet to be exercised. The bill did not change transportation funding or alter existing governance structures. Were something similar to be implemented in an urban region in Washington State, a new authority would be created with oversight power over all existing transportation agencies and over local governments' ability to allow development within its boundaries.

D. VANCOUVER, B.C.'S TRANSLINK

In July 1998, the Province of British Columbia created the Greater Vancouver Transportation Authority, called TransLink, to provide regional control and accountability and to improve transportation service throughout the Greater Vancouver Regional District, a regional federation comprised of representatives of the 20 municipalities in the Vancouver area. The new governance system creates dedicated funding for transportation and establishes formal linkages with the region's growth management strategy.

Before TransLink, a number of governmental entities shared responsibility for Greater Vancouver's transportation system. BC Transit had authority for public transit throughout the entire province, including 37 communities outside Greater Vancouver. Funding for public transit relied heavily on unpredictable Provincial government subsidies. The Provincial government controlled highways and major bridges, and the various municipalities managed the local streets. This fragmented system resulted in inconsistent road maintenance and made it difficult to develop regional solutions to reducing congestion, which has worsened in recent years.

In creating TransLink, the Greater Vancouver Regional District and the Province wanted to reform governance and funding to give the Vancouver area more control over its transit and roads but without establishing an additional layer of bureaucracy. TransLink will function as a small organization that plans, funds, and manages regional transportation, with actual services delivered by subsidiaries and contractors. TransLink will oversee the planning, service levels, budgets, and financing of the bus, ferry, light rail and commuter rail companies previously operated by BC Transit. The majority of TransLink's expenditures, both current and expected, go to transit.

Before TransLink, many municipalities and Provincial agencies shared responsibilities for the management of roadways. TransLink will co-manage a Major Road Network (MRN), including major highways, streets, and bridges. Through the MRN, TransLink will coordinate road policy, traffic management systems, and priority measures for transit and other high-occupancy vehicles. The MRN is a partnership with municipalities, who will retain ownership and conduct all operations, maintenance, rehabilitation, and construction work, pursuant to standards set by TransLink. TransLink's mandate is to support the MRN, to set standards for the roads, and to assume responsibility for the major bridges and the Albion ferry system.

TransLink will provide financial support for former Provincial highways now devolving to the local level. The municipalities will own and maintain the portions within their jurisdictions, and TransLink will fully fund them if they meet TransLink's standards. In taking ownership of these roads, municipalities also gain more control of adjacent land uses, for which the Province previously had jurisdiction. TransLink and the municipalities will determine which of the major municipal roads to include in the MRN and the degree of funding to be provided to the municipalities by TransLink for maintenance and operation.

For road construction, TransLink can provide funds to municipalities only if the project is included in its capital plans and budget. TransLink will also develop coordinated policies with the Province and municipalities regarding the use of HOV lanes and tolls, improving consistency throughout the region. In establishing TransLink, policy-makers sought to maintain the existing sources of Provincial funding for transit and add new funding sources, but they wanted to avoid any increase in property taxes. The Province will transfer its current commuter rail revenues, and parking sales tax to TransLink. In addition, the Province will assume responsibility for the regional hospital levy, freeing up room on local property taxes for a TransLink transportation levy. The gas tax will remain at its current level, but the Province's share will decrease as a greater portion goes to TransLink.

Other funding sources include transit fares and system revenue, a portion of the gas tax, a levy on residential hydropower accounts, and a non-residential property tax. In addition to these existing Provincial and local funding sources, TransLink also has the authority, not yet exercised, to collect additional revenues through increases to existing fees and charges.

Were such a model to be implemented in a region in Washington State, a single new regional entity would have jurisdiction and funding over all transit agencies, state highways, and arterials within the region.

E. NEW ZEALAND

New Zealand has substantially reduced governmental involvement in transportation services. To address the investment backlog in its roads network, and in a continuing effort to reduce the public debt, a proposal under consideration will transfer construction and operation of most roads from local government to publicly owned road companies, financed by user fees.

New Zealand has 57,518 miles of public roads, 6,278 of them state highways operated by Transit NZ, and the remaining 51,240 miles of local roads operated by the 74 city councils and rural districts. Transit NZ and local governments are already required to contract out all road works and maintenance on a competitive basis. Transit NZ estimates that contracting out has saved 17 percent for road construction and maintenance and 30 percent for professional services.

The local governments receive half their funding for roads from national fuel taxes and user charges on heavy vehicles and light diesel vehicles, and half from property taxes. Local governments are required to match the national funding dollar for dollar, provided that the local proposal has a benefit-cost ratio greater than four. Road user charges also go to subsidize bus, ferry, and rail public transport services administered by New Zealand's 16 regional councils, who augment these revenues with property tax revenues.

The national Government will not borrow for infrastructure, because it is trying to reduce its debt. Local government can only borrow against property tax income. Their reluctance to do so means decisions on investment and maintenance are made on current year cash levels, a very short-term approach, leading primarily to patch and repair, rather than a high capital/low maintenance road.

A proposal under consideration creates four to eight regionally based "public road companies" to take over the running of the local roads from the 74 local governments. A special agency would oversee the formation and boundaries of these companies. The local governments would appoint their directors and own shares in the companies, issued in exchange for all road improvements. Ownership of the land would remain with the local government, whose road management staff would transfer to one of the public road companies, at current pay and conditions.

The public road companies would pay taxes and make rules necessary to protect the roads and ensure their safe and efficient use. The new road companies could also borrow and invest against future income streams and invest in improved capacity, as could Transit NZ for state roads. Local property taxes would no longer fund roads. The fuel tax would be increased, and other fees could be imposed, as could tolls. Consumer protection measures and safeguards would be instituted, including pricing principles. Once property taxes cease to fund roads, the public transport services administered by regional councils would be entirely regionally funded. No longer would they receive funds from state fees, but instead would have the power to collect an annual regional public transport levy from the public road companies and other road service providers to purchase public transport services.

The proponents argue that the closer connection between the costs of a road and the payment for its use would result in efficiencies and better decisions about what improvements users want and what they are prepared to pay. The impact should be small, because the increase in direct road charges would be offset by the removal of property taxes go to transportation. Support for the proposal is high among user groups and citizens. Opponents are mainly the local councils and districts, which worry about whether the local roads and improvements they want will be built and also what the change to their road authority might mean for their future generally.

Were such a model to be implemented in Washington State, road assets would be transferred to publicly owned companies whose revenue would come from gas taxes and other user fees. County road taxes would be eliminated and city property taxes reduced. See the matrix on the following page for a comparison of New Zealand and the other jurisdictions, and what their elements would look like if applied in regions within Washington State.

EVALUATIVE CRITERIA

In evaluating transportation governance or any proposals for changes, the Administration Committee has developed the following criteria. Overall, the governance structure should

- Balance the need for local accountability with the need for a system-wide perspective.
- Allow for innovation and change to meet future needs.
- Inspire public support and confidence.
- Enable comparison among all modes of transportation, increasing the likelihood that the most beneficial projects will get funded, constructed, and maintained.
- Align authority and responsibility to plan, fund, and implement transportation services.

Although complex, the governance structure of Washington's transportation system works reasonably well evaluated against most of these criteria. By and large, the multiple governments have succeeded in creating a remarkable transportation system for the state. Their efforts seem to work best when authority for planning, deciding, funding, and implementing projects rests within a given body, such as WSDOT's responsibility for state roads, and the various transit agencies' responsibility for their transit systems. When responsibility is more diffuse, and planning requires coordination with a number of jurisdictions, the results are more mixed. In certain areas of the state, the complexity of the structure and the number of players warrant examining structures that might improve and simplify the process in those areas.

Table 1. Case Studies of Governance Structures[4]

Location	Model	Ownership	Funding	If Applied Here
San Diego	Align planning, funding, and implementation in region/MPO.	No change. State, county, and locals still own, operate, and maintain.	Consolidate federal/state/local money in MPO. 40% of region's transportation spending through MPO. Local option sales tax.	More of state gas tax and federal funds would be allocated through MPO. Any new local option tax would be allocated through MPO as well.
Vancouver, B.C.	Consolidated responsibility for planning, funding, implementing, and managing transit & roads under new regional agency.	Transfer of ownership and funding of transit from province to region. Transfer of ownership of highways to locals; regional oversight and funding.	Devolved from province (state) to region. Region also funds major roads owned and operated by locals.	A single new regional entity would have jurisdiction over all transit agencies, state highways, and arterials within a region. Funding would follow ownership. Entity would oversee and fund regional arterials.
Michigan	Proposed state takeover of county and city roads of economic significance.	Proposed transfer to state.	Increased gas tax by 4 cents. Efficiency gains. No net loss to local government.	Arterials of regional significance would transfer to state DOT. Local governments would retain their existing funds; state would get new funds.
New Zealand	Creation of 4-6 publicly owned road utilities from 74 local governments.	Transfer of operating assets from government to new road utilities.	Roads funded entirely with user fees. Eliminates property taxes for roads; raises gas taxes allows user fees and tolls.	Transfer ownership of road assets to companies whose revenue would come from gas taxes and other user fees. Eliminate county road tax and reduce city property taxes.

[4] The Georgia model is not included in this table because it creates a new authority with oversight powers but does not change ownership or funding of transportation services.

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